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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000394

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SUBJECT: PREMIER CHANG CHUN-HSIUNG ON THE MARCH 22
PRESIDENTIAL ELECTION AND PORK, BEEF IMPORTS

Classified By: AIT Deputy Director Robert S. Wang, Reason 1.4 (b/d)

¶1. (C) Summary: Premier Chang Chun-hsiung acknowledged the election has taken immediate priority in government affairs, but promised that the Chen administration will continue discussions to resolve pork and beef import issues with the U.S. for the remainder of President Chen's term. Regarding the election, Chang believes it will be very close, and that the recent disturbances in Tibet will have a positive effect on the DPP's chances for victory, however he does not expect either the DPP or KMT version of the UN referendum to pass. He assured the Director that if the DPP wins, it has no intention of declaring independence and will maintain the current situation. If the DPP loses the election, it will respect the will of the Taiwan people and President Chen's administration will fully cooperate with the incoming KMT administration during the transition process. End summary.

Pork and Beef Import Discussions to Continue After the
Election

¶2. (C) The Director met with Premier Chang Chun-hsiung on March 18 to discuss the upcoming March 22 presidential election, and unresolved issues regarding the importation of U.S. pork and beef into Taiwan. The Director expressed to Premier Chang that the U.S. understands the March 22nd presidential election has preoccupied the Taiwan government for the moment, but he is hopeful that after the election, Taiwan officials will give priority to making progress in resolving pork and beef import issues before the end of the Chen administration on May 20. Premier Chang responded that he fully understands U.S. concerns, and that he believes U.S. pork and beef issues can be resolved. He said the Taiwan side is still studying international standards for ractopamine in pork, and that its main consideration is approaching this question from the standpoint of the people's health.

¶3. (C) Director Young expressed his hope to revisit this issue after the election. He noted that much progress has been made in the last 3 to 4 months and the matter is close to a resolution. He stated that the U.S. further desires to expand the U.S. beef market in Taiwan from boneless cuts to

all beef products, from animals of all ages (i.e., OIE-consistent access). The U.S. also wishes to work as a partner with Taiwan on more open access to the Japan, Korea and PRC markets. Chang reiterated his willingness to keep moving forward in the remaining months of the Chen administration. There are political issues that prevent the immediate resolution of the matter, he explained, but he will instruct Vice Premier Chiou I-jen to coordinate with Department of Health Minister Hou Sheng-mao and the Council of Agriculture after the election.

Events in Tibet Loom Over Taiwan Election

¶14. (C) In response to the Director's question about the role recent disturbances in Tibet are playing in the election, Chang said that this will increase Taiwan voters' concerns about becoming too close to China. He pointed out the PRC had made friendly overtures to Tibet in the same way it has to Taiwan, and yet China has on many occasions resorted to military action in Tibet, most notably the invasion in 1959. He predicted the ongoing PRC crackdowns in Tibet will cause Taiwan voters to take a renewed look at the KMT, its "five point consensus" signed with the PRC in April 2005, and its championing of the "one-China market." Chang believes the election will be very close, but chose not to respond when the Director asked how high he thought turnout would be, only mentioning that a higher turnout would benefit Frank Hsieh.

UN Referendums Unlikely to Pass

¶15. (C) Chang told the Director that because a referendum must

TAIPEI 00000394 002 OF 003

receive more than 50 percent approval by voters, it will be very difficult for the DPP UN referendum to pass. The bar was raised even higher when the KMT proposed its own version, which will in effect split the vote. He believes the KMT cannot afford to actively encourage a "no" vote, because it will make them look bad in the eyes of the Taiwan people, but the KMT does not want to see either referendum succeed. The Director asked what it would mean for neither referendum to pass, but the Premier demurred, saying the answer to this must wait until the results of the election, since it will be a new administration that deals with this issue. He did say the referendum could be seen as demonstrating the desire of Taiwan to have a name for itself in international organizations, be it the World Health Organization, the Olympics, or other organizations. The Director emphasized the U.S. position opposes passage of either version, while at the same time affirming U.S. support for Taiwan's democracy, and the commitment to maintain close friendship with Taiwan. The Director noted he had discussed this extensively with both candidates.

Cross-Strait Relations

¶16. (C) Premier Chang assured the Director that although the DPP would not alter its position that Taiwan is not a part of China, it will not declare independence and is committed to maintaining the status quo. Chang noted that 74 percent of Taiwan's people now believe Taiwan alone should decide its destiny. After the defeat in the Legislative Yuan (LY) elections, the DPP needs to regain the support of the people, while at the same time carrying out their will. According to the Director, the most important thing is to maintain stability for the people of Taiwan while at the same time advancing democracy. He noted progress achieved in cross-Strait relations in areas of investment, cultural exchanges, and tourism, and that both candidates were committed to further expanding these ties. Chang agreed, and added that even if the DPP wins, he believes a more stable relationship is attainable because the PRC would prove

pragmatic in dealing with a Frank Hsieh administration.

¶ 17. (C) The Director told Chang the U.S. sees the PRC acting more reserved than in previous Taiwan elections--it is not criticizing the DPP as it has done in the past, and he hopes this means the PRC will be more willing to cooperate with Taiwan after the election. The U.S. has repeatedly emphasized to China that unless it is willing to accept the Taiwan people's choice of elected leaders, there can be no long-term solution. He added that China is fearful of Taiwan's democracy because of the implications it has for the Communist Party's monopoly of power.

Transfer of Power

¶ 18. (C) The Director said the PRC is worried that President Chen will try something before the May transfer of power should the DPP lose the election. This is because it does not understand democracy, and in fact, fears it. On the other hand, Taiwan gives much hope to the people of China and Hong Kong that a state can peacefully transition into a democracy from an autocracy, and Taiwan can hold its head high in that respect.

¶ 19. (C) Chang made it very clear that Chen Shui-bian will respect the will of the people, regardless of the election's outcome. He pointed out that when the KMT lost the presidential elections of 2000 and 2004, it encouraged its supporters to take to the streets in protest, but that when the DPP suffered a massive defeat in the January 2008 Legislative Yuan elections, it stepped down willingly, and without incident. He said there was no chance that Chen Shui-bian would call the military to high alert status or declare martial law if the KMT wins on Saturday.

¶ 10. (C) The Director noted that in 2000 the transfer of

TAIPEI 00000394 003 OF 003

administration from the KMT to DPP had not gone smoothly, and he hoped President Chen's administration would assist the victor in the transition, no matter which candidate won. Chang was adamant that the transfer would go more smoothly this time around. In 2000, the KMT was not willing to cooperate with the DPP because it was bitter over its defeat, and the DPP had no experience in administration, so it made many errors. The DPP is committed to the principle of developing democratic institutions, and will fully cooperate with whomever wins the election.

¶ 11. (C) The Director stressed this election will provide Taiwan another opportunity to show the world how democracy can flourish in a relatively short time, something harder to accomplish than many think. He noted that expected numbers of international observers in Taiwan are double that of the 2004 election, giving Taiwan the world stage. A peaceful, cooperative transition from the election to the inauguration of the new administration will belie the idea espoused by Singapore, and championed by the PRC, that a Confucian society is incompatible with democracy. Taiwan should seize the opportunity to show the world once and for all that this idea is erroneous. Premier Chang stated that though there were some disturbances in the aftermath of the 2000 and 2004 elections, he is confident this time the vote will proceed peacefully and with minimal conflict. He views his own role in the transition of administrations as that of a midwife, and wants to deliver a healthy baby no matter "blue" or "green."

YOUNG